GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1525
ANSWERED ON:08.12.2015
Dividend from PSUs
Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kachhadia Shri Naranbhai;Kirtikar Shri Gajanan Chandrakant;Singh Shri Kunwar Haribansh

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) the quantum of dividend received by the Government from the profit-making Central Public Sector undertakings during the last three years and the current year, PSU-wise;

(b) whether the Government has sought any specific dividend from leading central public sector enterprises;

(c) if so, the details thereof and the reasons therefor;

(d) whether this move will affect the financial health of these PSUs; and

(e) if so, the corrective steps taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES

(SHRI G. M. SIDDESHWARA)
(a): As per information available in Public Enterprises Survey 2013-14, the details of dividend paid by the profit making Central Public Sector Enterprises (CPSEs) for the last 3 years is given in table below;
Table:

Years	No. of CPSEs paid Dividend	Dividend paid (Rs. in crore)
2013-14	99	65115
2012-13	100	49703
2011-12	104	42627

The CPSE-wise details of dividend declared / paid by the CPSEs is given at pages S-8 to S-11 of Statement 2 of Volume I of Public Enterprises Survey 2013-14 which was laid on the Table of both the Houses of the Parliament on 26.02.2015.
(b) & (c): CPSEs are guided by the guidelines issued by Ministry of Finance on Dividend vide O.M. No. 7(2)/E-Coord/2005 dated 23rd November 2005,the relevant portion is reproduced below:
"All profit-making Public Sector Enterprises (PSEs), which are essentially commercial enterprise, subject to specific guidelines issued from time to time, will declare a minimum dividend on equity of 20% or a minimum dividend payout of 20% of post-tax profits, whichever is higher, subject to availability of disposable profits. In respect of Oil, Petroleum, Chemical and other infrastructure sectors this amount would be 30%. Besides, profit making companies with large cash surpluses and without firm plans for reinvestment shall declare special dividends".
(d) & (e): Dividend is paid out of profits after complying with the provisions of the Companies Act keeping in view Ministry of Finance guidelines and affordability of the CPSEs. It is not likely to affect the financial health of the CPSEs.

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